

Toll Setting for Tacoma Narrows Bridge

Traffic and Revenue Assumptions and
Forecasts from Opening Through end of
FY 09

General Tolling Assumptions:

- Implementation of tolls in the eastbound direction is assumed to begin on April 2, 2007, the first Monday in April
- All vehicle classes can join ETC and use the express toll lanes, benefiting from the unimpeded, free flowing traffic at all times

TNB Financial Plan Base Case Assumptions:

- Initial toll rates assumed in the TNB Financial Plan were \$3.00 for all vehicle types (base case)
- Higher per axle toll rates will be implemented when bridge construction is complete (anticipated 03/08)
- Electronic Toll Collection (ETC) market share was assumed to amount to approximately 48 percent in the first month of toll operations (during a typical weekday), and was projected to increase to about 64 percent by the end of FY 2007-08, and to about 67 percent by the end of FY 2008-09

TNB Financial Plan Base Case Assumptions:

- An aggressive marketing campaign is underway to ensure a minimum of 50 percent ETC market penetration during peak periods
- Given that ETC discount scenarios are being considered, sensitivity tests were conducted assuming ETC market share levels approximately 10% higher than WSA's base ETC assumptions.

Assumptions for Tolling Scenarios

- **Base Case:** \$3.00 flat toll beginning April 2, 2007 with higher per axle rates beginning March 1, 2008.
- **Scenario 1:** \$3.00 cash and \$1.50 ETC toll beginning April 2, 2007, reverting to \$3.00 for both cash and ETC, plus axle-based charges implemented when construction is complete, expected to be March 1, 2008.

Assumptions for Tolling Scenarios

- **Scenario 2:** \$3.00 cash and \$1.50 ETC toll beginning April 2, 2007, converting to \$3.00 cash and \$2.00 ETC, plus axle-based charges implemented when construction is complete, expected to be March 1, 2008.
- **Scenario 3:** \$3.00 cash and \$1.50 ETC toll beginning April 2, 2007, converting to \$3.00 cash and \$2.50 ETC, plus axle-based charges implemented when construction is complete, expected to be March 1, 2008.

Toll Operations Planned Expenditures

State Fiscal Year	Management Costs	Toll Systems Operations	Maintenance of the New Bridge	Incident Response, Security, & Enforcement	Insurance	Renewal & Replacement (R&R)	Deferred Sales Tax	Debt Service	Total Expenditures
2006	451,000	823,000							
2007	2,204,000	3,982,000	3,000	197,000	634,000	-	-	-	8,294,000
2008	2,651,000	6,947,000	800,000	821,000	3,131,000	162,000	-	27,656,000	42,168,000
2009	2,708,000	7,156,000	817,000	838,000	3,252,000	251,000	-	28,983,000	44,005,000
2010	2,653,000	7,370,000	835,000	856,000	3,421,000	182,000	-	36,145,000	51,462,000
2011	2,719,000	7,592,000	856,000	878,000	3,557,000	245,000	-	43,805,000	59,652,000
2012	2,710,000	7,793,000	878,000	901,000	3,703,000	304,000	2,944,000	42,102,000	61,335,000
2013	2,778,000	8,001,000	902,000	925,000	3,903,000	208,000	5,887,000	47,678,000	70,282,000
2014	2,850,000	8,209,000	925,000	949,000	4,053,000	237,000	5,887,000	56,306,000	79,416,000
2015	2,922,000	8,420,000	949,000	973,000	4,200,000	2,193,000	5,887,000	55,789,000	81,333,000
2016	3,044,000	8,638,000	974,000	999,000	4,398,000	3,751,000	5,887,000	62,255,000	89,946,000
2017	3,119,000	8,866,000	1,154,000	1,025,000	4,548,000	2,851,000	5,887,000	70,928,000	98,378,000
2018	3,141,000	9,103,000	1,026,000	1,052,000	4,649,000	1,654,000	5,887,000	72,931,000	99,443,000
2019	3,222,000	9,347,000	1,053,000	1,080,000	4,754,000	724,000	5,887,000	74,490,000	100,557,000
2020	3,303,000	9,597,000	1,082,000	1,104,000	4,860,000	311,000	5,887,000	75,557,000	101,701,000
2021	3,388,000	9,854,000	1,110,000	1,134,000	4,972,000	549,000	5,887,000	76,174,000	103,068,000
2022	3,476,000	10,119,000	1,140,000	1,164,000	5,089,000	1,056,000	2,944,000	79,429,000	104,417,000
2023	3,567,000	10,394,000	1,171,000	1,196,000	5,210,000	2,486,000	-	81,808,000	105,832,000
2024	3,660,000	10,676,000	1,203,000	1,228,000	5,333,000	1,993,000	-	83,315,000	107,408,000
2025	3,757,000	10,969,000	1,236,000	1,262,000	5,458,000	977,000	-	85,321,000	108,980,000
2026	3,974,000	11,269,000	1,270,000	1,297,000	5,583,000	2,737,000	-	84,334,000	110,464,000
2027	3,955,000	11,582,000	1,460,000	1,333,000	5,711,000	3,877,000	-	83,741,000	111,659,000
2028	4,059,000	11,900,000	1,341,000	1,369,000	5,841,000	2,683,000	-	85,534,000	112,727,000
2029	4,166,000	12,229,000	1,378,000	1,407,000	5,975,000	1,395,000	-	87,257,000	113,807,000
2030	4,276,000	12,569,000	1,417,000	1,446,000	5,307,000	2,697,000	-	86,528,000	114,240,000

Scenario Comparison Summary

State Fiscal Year	Toll Rate	Gross Toll Revenue	Contribution of State Funds	Total Expenditures	Remaining Funds	Expenditure Coverage
Base Case Scenario						
2007	\$3.00	10,177,000	-	8,294,000	1,883,000	122.7%
2008	\$3.00 + per Axle 01/08-06/08	42,918,000	-	42,168,000	750,000	101.8%
2009	\$3.00 + per Axle 07/08-06/09	45,070,000	-	44,005,000	1,065,000	102.4%
Scenario 1						
2007	\$1.50 ETC/\$3.00 Cash 04/07-06/07	7,955,000	1,300,000	8,294,000	961,000	111.6%
2008	<u>\$1.50 ETC/\$3.00 Cash 07/07-02/08</u> \$3.00 All + per axle 03/08-06/08	35,858,000	8,700,000	42,168,000	2,390,000	105.7%
2009	\$3.00 All + per axle 07/08-06/09	45,070,000	-	44,005,000	1,065,000	102.4%
Scenario 2						
2007	\$1.50 ETC/\$3.00 Cash 04/07-06/07	7,955,000	1,300,000	8,294,000	961,000	111.6%
2008	<u>\$1.50 ETC/\$3.00 Cash 07/07-02/08</u> <u>\$2.00 ETC/\$3.00 Cash 03/08-06/08</u> + per axle differential 03/08-06/08	33,167,000	8,700,000	42,168,000	(301,000)	99.3%
2009	\$2.00 ETC/\$3.00 Cash 07/08-06/09 + per axle differential 03/08-06/08	36,787,000	-	44,005,000	(7,218,000)	83.6%
Scenario 3						
2007	\$1.50 ETC/\$3.00 Cash 04/07-06/07	7,955,000	1,300,000	8,294,000	961,000	111.6%
2008	<u>\$1.50 ETC/\$3.00 Cash 07/07-02/08</u> <u>\$2.50 ETC/\$3.00 Cash 03/08-06/08</u> + per axle differential 03/08-06/08	34,562,000	8,700,000	42,168,000	1,094,000	102.6%
2009	\$2.50 ETC/\$3.00 Cash 07/08-06/09 + per axle differential 03/08-06/08	41,082,000	-	44,005,000	(2,923,000)	93.4%

Debt Service Summary

		Aug-06	Feb-07	Aug-07	
	Actual Sales	Future Sales*			Total Payments
	Sales 1 - 8	Sale 9	Sale 10	Sale 11	Sales 1 - 10
	652,990,657.45	12,000,000.00	38,000,000.00		702,990,657
	4.90%		(20,000,000.00)	(18,000,000.00)	
Jun-07	4,372,376.23				4,372,376.23
Dec-07	1,290,209.38		1,206,484.17		2,496,693.55
Jun-08	12,940,209.38	4,335,000.00	7,883,890.50		25,159,099.88
Dec-08	12,555,209.38	0.00	2,111,060.50		14,666,269.88
Jun-09	13,760,209.38	0.00	556,856.75		14,317,066.13
09-11	75,925,837.52	1,035,000.00	2,989,077.25	0.00	79,949,914.77
11-13	85,260,837.52	2,130,000.00	2,388,947.50	0.00	89,779,785.02
13-15	106,449,837.52	2,655,000.00	2,990,019.00	0.00	112,094,856.52
15-17	126,481,037.52	3,155,000.00	3,546,906.25	0.00	133,182,943.77
17-19	140,002,637.52	3,490,000.00	3,929,117.25	0.00	147,421,754.77
19-21	144,097,537.50	3,585,000.00	4,048,268.50	0.00	151,730,806.00
21-23	153,122,462.50	3,815,000.00	4,299,563.50	0.00	161,237,026.00
23-25	160,149,750.00	3,995,000.00	4,491,320.50	0.00	168,636,070.50
25-27	159,614,250.00	3,980,000.00	4,480,500.00	0.00	168,074,750.00
27-29	164,096,500.00	4,090,000.00	4,604,655.50	0.00	172,791,155.50
29-31	82,173,500.00	2,050,000.00	2,304,112.50	0.00	86,527,612.50

TNB Financial Plan Base Case

State Fiscal Year	Toll Rate	Gross Toll Revenue	Total Costs paid by Tolls	Net Toll Revenue
2006				
2007	3.00	10,177,000	8,294,000	1,883,000
2008	3.00	42,918,000	42,168,000	750,000
2009	3.00	45,070,000	44,005,000	1,065,000
2010	4.00	53,173,000	51,462,000	1,711,000
2011	4.00	61,777,000	59,652,000	2,125,000
2012	4.00	63,349,000	61,335,000	2,014,000
2013	5.00	72,519,000	70,282,000	2,237,000
2014	5.00	82,127,000	79,416,000	2,711,000
2015	5.00	84,005,000	81,333,000	2,672,000
2016	6.00	92,977,000	89,946,000	3,031,000
2017	6.00	101,878,000	98,378,000	3,500,000
2018	6.00	103,053,000	99,443,000	3,610,000
2019	6.00	104,240,000	100,557,000	3,683,000
2020	6.00	105,441,000	101,701,000	3,740,000
2021	6.00	106,837,000	103,068,000	3,769,000
2022	6.00	108,439,000	104,417,000	4,022,000
2023	6.00	110,066,000	105,832,000	4,234,000
2024	6.00	111,717,000	107,408,000	4,309,000
2025	6.00	113,392,000	108,980,000	4,412,000
2026	6.00	114,814,000	110,464,000	4,350,000
2027	6.00	115,962,000	111,659,000	4,303,000
2028	6.00	117,122,000	112,727,000	4,395,000
2029	6.00	118,293,000	113,807,000	4,486,000
2030	6.00	119,475,000	114,240,000	5,235,000

Wilbur Smith's Scenario 1

State Fiscal Year	Toll Rate	Gross Toll Revenue	Contribution of State Funds	Total Costs paid by Tolls	Net Toll Revenue
2006					
2007	\$1.50/\$3.00	7,955,000	1,300,000	8,294,000	961,000
2008	\$1.50/\$3.00	35,858,000	8,700,000	42,168,000	2,390,000
2009	3.00	45,070,000		44,005,000	1,065,000
2010	4.00	53,173,000		51,462,000	1,711,000
2011	4.00	61,777,000		59,652,000	2,125,000
2012	4.00	63,349,000		61,335,000	2,014,000
2013	5.00	72,519,000		70,282,000	2,237,000
2014	5.00	82,127,000		79,416,000	2,711,000
2015	5.00	84,005,000		81,333,000	2,672,000
2016	6.00	92,977,000		89,946,000	3,031,000
2017	6.00	101,878,000		98,378,000	3,500,000
2018	6.00	103,053,000		99,443,000	3,610,000
2019	6.00	104,240,000		100,557,000	3,683,000
2020	6.00	105,441,000		101,701,000	3,740,000
2021	6.00	106,837,000		103,068,000	3,769,000
2022	6.00	108,439,000		104,417,000	4,022,000
2023	6.00	110,066,000		105,832,000	4,234,000
2024	6.00	111,717,000		107,408,000	4,309,000
2025	6.00	113,392,000		108,980,000	4,412,000
2026	6.00	114,814,000		110,464,000	4,350,000
2027	6.00	115,962,000		111,659,000	4,303,000
2028	6.00	117,122,000		112,727,000	4,395,000
2029	6.00	118,293,000		113,807,000	4,486,000
2030	6.00	119,475,000		114,240,000	5,235,000

Wilbur Smith's Scenario 2

State Fiscal Year	Toll Rate	Gross Toll Revenue	Contribution of State Funds	Total Costs paid by Tolls	Net Toll Revenue
2006					
2007	\$1.50/\$3.00	7,955,000	1,300,000	8,294,000	961,000
2008	\$1.50/\$2.00/\$3.00	33,167,000	8,700,000	42,168,000	(301,000)
2009	\$2.00/\$3.00	36,787,000		44,005,000	(7,218,000)
2010	4.00	53,173,000		51,462,000	1,711,000
2011	4.00	61,777,000		59,652,000	2,125,000
2012	4.00	63,349,000		61,335,000	2,014,000
2013	5.00	72,519,000		70,282,000	2,237,000
2014	5.00	82,127,000		79,416,000	2,711,000
2015	5.00	84,005,000		81,333,000	2,672,000
2016	6.00	92,977,000		89,946,000	3,031,000
2017	6.00	101,878,000		98,378,000	3,500,000
2018	6.00	103,053,000		99,443,000	3,610,000
2019	6.00	104,240,000		100,557,000	3,683,000
2020	6.00	105,441,000		101,701,000	3,740,000
2021	6.00	106,837,000		103,068,000	3,769,000
2022	6.00	108,439,000		104,417,000	4,022,000
2023	6.00	110,066,000		105,832,000	4,234,000
2024	6.00	111,717,000		107,408,000	4,309,000
2025	6.00	113,392,000		108,980,000	4,412,000
2026	6.00	114,814,000		110,464,000	4,350,000
2027	6.00	115,962,000		111,659,000	4,303,000
2028	6.00	117,122,000		112,727,000	4,395,000
2029	6.00	118,293,000		113,807,000	4,486,000
2030	6.00	119,475,000		114,240,000	5,235,000

Wilbur Smith's Scenario 3

State Fiscal Year	Toll Rate	Gross Toll Revenue	Contribution of State Funds	Total Costs paid by Tolls	Net Toll Revenue
2006					
2007	\$1.50/\$3.00	7,955,000	1,300,000	8,294,000	961,000
2008	\$1.50/\$2.50/\$3.00	34,562,000	8,700,000	42,168,000	1,094,000
2009	\$2.50/\$3.00	41,082,000		44,005,000	(2,923,000)
2010	4.00	53,173,000		51,462,000	1,711,000
2011	4.00	61,777,000		59,652,000	2,125,000
2012	4.00	63,349,000		61,335,000	2,014,000
2013	5.00	72,519,000		70,282,000	2,237,000
2014	5.00	82,127,000		79,416,000	2,711,000
2015	5.00	84,005,000		81,333,000	2,672,000
2016	6.00	92,977,000		89,946,000	3,031,000
2017	6.00	101,878,000		98,378,000	3,500,000
2018	6.00	103,053,000		99,443,000	3,610,000
2019	6.00	104,240,000		100,557,000	3,683,000
2020	6.00	105,441,000		101,701,000	3,740,000
2021	6.00	106,837,000		103,068,000	3,769,000
2022	6.00	108,439,000		104,417,000	4,022,000
2023	6.00	110,066,000		105,832,000	4,234,000
2024	6.00	111,717,000		107,408,000	4,309,000
2025	6.00	113,392,000		108,980,000	4,412,000
2026	6.00	114,814,000		110,464,000	4,350,000
2027	6.00	115,962,000		111,659,000	4,303,000
2028	6.00	117,122,000		112,727,000	4,395,000
2029	6.00	118,293,000		113,807,000	4,486,000
2030	6.00	119,475,000		114,240,000	5,235,000